

REMARKS/ARGUMENTS

Following amendment, claims 1, 3-4, 6, 9-11, and 21-29 remain pending in the present application. Applicants seek to amend the claims to clarify the subject matter of the present invention and to place the present application in better condition for examination. Applicants believe that the present Amendment adds no new subject matter and respectfully request the entering of this Amendment.

Claim Rejections under 35 USC §112, Second Paragraph

Claims 1, 6, 9, 10, 20 and 21-29 stand rejected under 35 USC § 112, second paragraph, as failing to particularly point out and distinctly claim the subject matter which the Applicants regard as the invention. Specifically, the Office Action objected to the use of the term “Reserve Fund” as used in those claims. Applicants have carefully reviewed the claims and the specification suggest that this term is sufficiently clear to allow someone of ordinary skill in the art to understand the present invention. As specified in MPEP §2173.1, “a fundamental principle contained in USC § 112, second paragraph is that applicants are their own lexicographers. The term “reserve fund” is used in the application, and relevant aspects of the present invention are illustrated in Figure 5 and described in the original specification (e.g., at page 8, line 20, to page 9, line 5). In particular for the embodiment shown in Figure 5, “sending a second portion of the payment funds to *a reserve fund*” is illustrated at box 535 and “sending a provider payment from *the reserve fund* to the services provider” is illustrated at box 537. Further, it is noted that these portions are determined according to the “business model” (page 9, lines 1-5), options for which are further disclosed elsewhere in the specification (page 13, lines 9-30). Applicant submits that a person skilled in the art would understand the definition of the term in view of the application. Moreover, the term reserve fund has a clear ordinary meaning. For example, the online Merriam-Webster dictionary, defines a reserve as having a meaning that includes “to set or have set aside or apart” or “money or its equivalent kept in hand or set apart usually to meet liabilities” “[<http://www.merriam-webster.com/cgi-bin/dictionary?book=Dictionary&va=reserve>]. Thus, a “reserve fund” would merely be a fund that is set aside or apart. While Applicants happily agree with examiner’s interpretation of “reserve fund” as be equivalent to an escrow amount, applicants believe that the amending claims would be unnecessary in view of the

term's plain and ordinary meaning, along with its use in the application. Applicant respectfully requests that the above-cited rejection be withdrawn.

Claim Rejections Under 35 USC § 103

Claims 1-3, 6, 9-11 and 17-23 stand rejected under 35 USC § 103(a) as unpatentable over "NIC Launches Industry's First Comprehensive Suite of eGovernment Solutions For Citizens, Businesses and Government"; PR Newswire, New York, June 1, 2000 (hereafter referred to as NIC I) and NICUSA web pages captured via the WayBackMachine (hereafter referred to as NIC II), in view of RFP#194:0-12 RPB (hereafter referred to as "RFP"). The Office Action also rejected claim 4 further as being unpatentable in view of the NIC I, NIC II, RFP, and further in view of "Auctions Pay Dividends for Gov't"; L.S. Tillett, News release, May 2000, www.internetwk.com, 4 pgs (hereafter referred to as Auctions).

Applicant respectfully traverses this rejection as applied to the claims currently under consideration.

In order to establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest **all the claim limitations.** (MPEP 2143).

As described in Claim 1, the embodiments of the present invention provide a system and method by three distinct parties: a government agency, a vendor, and an intermediary service provider. The service provider provides an internet based procurement system and receives a payment in exchange from a reserve fund for its help. Specifically, Claim 1 defines a "*computer related method for funding a state government procurement system*" including "*e. sending a second portion of the payment funds to a reserve fund,*" "*f. sending a provider payment from the reserve fund to the services provide,*" and "*g. sending a provider payment from the reserve fund to the services provider*" That is, as defined by claim 1, "*payment funds*" are "*from the state government agency*" and "*a provider payment*" is sent "*to the services provider.*"

Applicants have carefully reviewed the cited references and strongly urge that these references do not suggest at least the above-identified characteristic features of the present invention, defined clearly in claim 1 of the present invention. Specifically, NIC I and NIC II

merely show that government-specific internet software existed prior to the present invention. NIC I and NIC II are expensive software suites in which the government would have to invest extensive funds, and thus are whole incompatible with the present invention's function of enabling e-government solutions at no direct cost to the government agency. As described in the background of the invention, various procurement and other government related software applications were known but were prohibitively expensive and required long-term funding commitments that were incompatible with the changing nature of government needs. In no way would the NIC I and II references suggest the present invention's forming of a reserve fund from payments from government agencies to private vendors and using this reserve fund to pay the provider of a software used connect government agency and vendor.

Applicants have likewise carefully reviewed the RFP reference and likewise find that this reference in combination with the NIC I and II reference not suggest the present invention. The RFP reference section represents a software bidding proposal by which firm providing the software would have to meet various reporting disclosure requirements. Per RFP paragraph 4.2.32(a) (first paragraph) on p. 41, the software "solution would be funded by distributing costs between the Commonwealth of Virginia, vendors and "other revenue streams." As can already be seen, the software solution would have significant costs to the government agencies of Virginia. sand the In fact, RFP paragraph 4.2.32(a) (fourth paragraph) on p. 42, it is indicated that a treasury loan was available to pay for the software solution. The other revenue streams listed in the RFP paragraph 4.2.32(b) part II, merely list known ways by which an internet commerce site could raise funds, such as through the selling of advertisement, selling data, or through charging a fee to the vendors, and thereby directing the use of these funds to partially mitigate the cost to the Virginia government. There is no suggestion whatsoever of having a portion of government payments to vendors held in reserve, with the software service provide receiving payment from this reserve.

Therefore, claim 1 would not have been obvious to one of ordinary skill in the art at the time the invention was made. Because they depend directly or indirectly from claim 1, claims 3, 4, 6 and 21-23 are likewise allowable over the cited references. Further more, these claims recite limitations further from claim 1 and are independently patentable.

With respect to claim 6, the claimed invention includes additional limitations related to "*an excess-funding threshold*", "*an insufficient funding threshold*", and "*an insufficient funding revision*." The Examiner has not described the disclosure or suggestion of these limitations in the cited references but indicates that these limitations "were old and well

known at the time of the invention” without providing any supporting references. (Office Action, page 7).

“The Examiner bears the initial burden of factually supporting any *prime facie* conclusion of obviousness. If the examiner does not produce a *prime facie* case, the applicant is under not obligation to submit evidence of nonobviousness.” (MPEP 2142) As noted above, a *prime facie* case of obviousness requires that “the prior art reference (or references when combined) must teach or suggest all the claim limitations.” (MPEP 2143) In this case, the Examiner has not shown these limitations in the cited references, and therefore any consideration of “patentable weight” is inappropriate. Therefore claim 6 is independently patentable.

For the reasons presented above in support of claim 6, claims 22-23 are also independently patentable.

Claim 9 defines a “*system for providing Internet-based electronic procurement services to a state government agency*” including “*executable commands for*” “*sending a second portion of the payment funds to a reserve fund*” and “*sending a provider payment from the reserve fund to the services provider.*” For the reasons presented above in support of claim 1, claim 9 is allowable. Because they depend directly or indirectly from claim 9 claims 24-26 are likewise allowable over the cited references. Furthermore, these claims recite limitations further from claim 9 and are independently patentable. For the reasons presented above in support of claim 6, claims 24-26 are independently patentable.

Claim 10 defines a “*system for implementing a computerized eProcurement system for a state government agency*” including “*executable instructions for*” “*sending a second portion of the payment funds to a reserve fund*” and “*sending a provider payment from the reserve fund to a services provider of the eProcurement system.*” For the reasons presented above in support of claim 1, claim 10 is allowable. Because they depend directly or indirectly from claim 10, claims 11, and 27-29 are likewise allowable over the cited references. Furthermore, these claims recite limitations further from claim 10 and are independently patentable.

Applicant respectfully requests that the above-cited rejection 35 USC § 103 be withdrawn.

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Conclusion

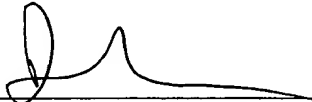
In view of the foregoing, the Applicants respectfully request that the Examiner considers the above-noted amendment when the application is examined on its merits and the timely allowance of the pending claims. The Examiner is invited to contact Applicants' undersigned representative to expedite prosecution.

If there are any fees due in connection with the filing of this response, please charge the fees to our Deposit Account No. 50-1349.

Respectfully submitted,

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